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Howard Trust
- General Counsel -
Schroders plc
31 Gresham Street
London EC2V 7QA
United Kingdom

April 4, 2007

Re: Schroders' Announced Hire of BlackRock Employees in Germany

Dear Mr. Trust,

We are legal counsel to BlackRock, Inc. and BlackRock (Deutschland) GmbH (together referred to in the following as "BlackRock") in connection with the apparent transfer by a number of key BlackRock employees, based in Germany and the United Kingdom, to Schroders Investment Management GmbH.

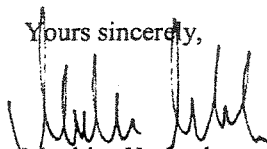
BlackRock is very concerned about the violations of contractual and other duties on the part of certain of these employees in Germany and the United Kingdom, including one managing director. In addition, BlackRock has received evidence that Schroders plc and Schroders Investment Management GmbH (together "Schroders") have participated in these violations, in particular by inducing BlackRock employees to engage therein.

As you know, BlackRock employees, including the managing director, have engaged in enticing other individuals away from their current employment, have violated their fiduciary duties by encouraging others to discontinue their employment, have failed to notify their employer and have disclosed confidential information to Schroders and its recruitment agency. These acts were done using BlackRock resources, including its e-mail and computer systems, during working hours. Schroders has participated in this misconduct in personal meetings and through its recruitment firm, which induced the managing director to solicit further employees. BlackRock has learned of certain meetings by BlackRock employees with Schroders' recruitment agent on December 5, 2006, meetings with Schroders on December 21, 2006 and February 9, 2007, the provision by Schroders of a relevant organizational chart for its German business at the end of January, the discussion by Schroders of payments into a bonus pool for the sales team on February 2, 2007 and various other details.

Given these incidents, BlackRock cannot accept the current situation and is determined to protect its rights and interests. This includes, if necessary, the commencement of litigation in any of the United States, Germany and the United Kingdom. It would, however, consider refraining from taking such steps if Schroders agrees to certain terms and conditions. We trust that a settlement of the matter would be in the interest of all parties.

Please let BlackRock or ourselves know by Wednesday, April 11, 2007, whether Schroders would like to discuss a possible resolution of this matter. Failing such resolution, BlackRock is prepared to take all appropriate action, including without limitation, the filing of litigation against Schroders.

Yours sincerely,



Matthias Horbach